



California Partnership for Long-Term Care

Issue No. 12

November 2004



ALERT: The minimum daily Nursing Facility care benefit for the year 2005 is \$130 with a \$91 (70%) Residential Care and Assisted Living benefit.

NOTE: The minimum daily Nursing Facility benefit increased from \$110 in 2004 to \$130 in 2005. Normally, these increases occur in \$10 increments due to the rounding of the actual projected figure, either up or down, to the nearest \$10. In 2004, the minimum daily benefit of \$120 was not reached due to rounding down of the projected Average Daily Private Pay Rate (ADPPR) for nursing facility care. Conversely, the \$130 minimum amount for 2005 was reached by rounding up the projected ADPPR.

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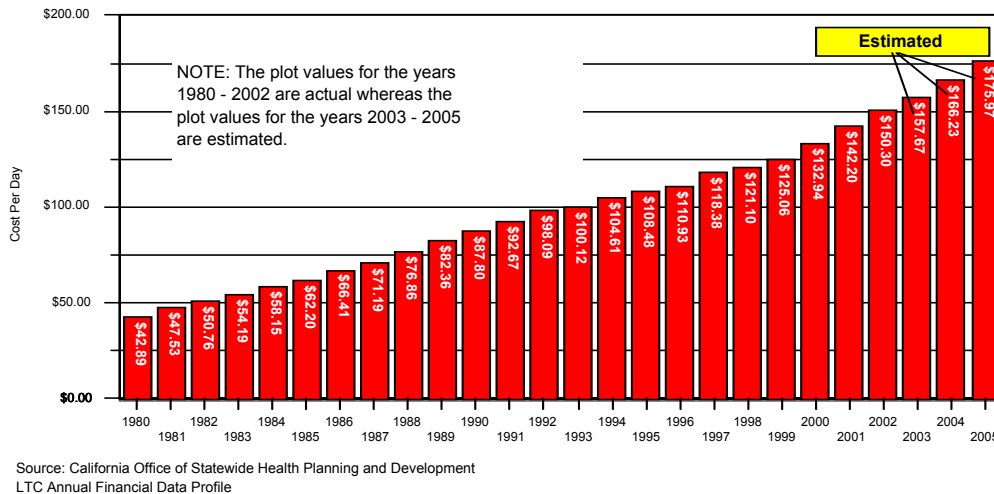
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Statewide Yearly Average Daily Private Pay Rate¹ For Nursing Facility Care In California 1980—2005



Average Annual Percent Increase in Nursing Facility Private Pay Rates Since 1980

Time Period	Years Spanned	Average Annual Increase
1980-1989	10	7.5%
1990-1999	10	4.3%
1980-1999	20	5.8%
1980-2005	26	5.8%
2001-2005	5	5.8%
1986-2005	Most Recent 20 Years	5.4%

¹ The Average Daily Private Pay Rate (ADPPR) for nursing facility care is the actual statewide average private pay rate for the year shown in the graph. The rates are extracted from the Office of Statewide Health Planning and Development's, LTC Annual Financial Data Profile report. The rates for the years 2003-2005 are estimated as specified in California Code of Regulations, Title 22, Section 58002.

NOTE: Partnership approved policies and certificates issued in 2005 must include a daily benefit (per diem) for nursing facility care of no less than \$130.

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Coverage Limits for Partnership Policies Issued for Calendar Year 2005

	Nursing Home Care Benefit Pay- ments* (Daily Benefit Amount)	Residential Care Benefit Payments* (Daily Benefit Amount)	Home and Com- munity Based Care Benefit Payments* (Monthly Benefit Amount)	Lifetime Maximum Benefit Payments
Minimum Coverage Limits**	\$130	\$91	\$1,950	\$47,450
		Allowable Range	Allowable Range	Allowable Range
Optional Coverage Amounts	\$130	\$91-\$130	\$1,950-\$3,900	\$47,450-Lifetime
	\$140	\$98-\$140	\$2,100-\$4,200	\$51,100-Lifetime
	\$150	\$105-\$150	\$2,250-\$4,500	\$54,750-Lifetime
	\$160	\$112-\$160	\$2,400-\$4,800	\$58,400-Lifetime
	\$170	\$119-\$170	\$2,550-\$5,100	\$62,050-Lifetime
	No Maximum	No Maximum	No Maximum	No Maximum

* Title 22, California Code of Regulations Section 58059(c) and 58059(i)(2)

** A minimum coverage policy is a policy with a lifetime maximum benefit set in dollars and equivalent in dollars to 365 times 70% of the Average Daily Private Pay Rate for Nursing Facilities. Title 22, California Code of Regulations, Section 58059(c).

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Target Population Age & Income Thresholds

The Target Population for the California Partnership for Long-Term Care:

The Partnership seeks to increase long-term care insurance coverage among modest and middle income Californians between the ages of 55 and 74. This group is made up of pre-retirees and early retirees and their spouses. The total number of Californians in this age group are shown below in column 1.

“At Risk” Population: The “At Risk” population is comprised of the middle income Californians within the Target Population—individuals with annual incomes more than the poorest 25% of their age group but less than the richest 25% of their age group and marital status. The population numbers reflected in columns 2 and 4 ensure that the selection includes only individuals whose income, is at a minimum, capable of supporting the average annual premium for a one year policy such that the average annual premium does not constitute more than 7% of the individual’s income. Individuals in the “At Risk” population (columns 2 and 4) are the number of individuals at risk of impoverishing themselves and spending down to Medi-Cal eligibility levels should they incur long-term care expenses and not have private insurance. The “asset protection” feature of Partnership policies is particularly valuable to individuals in the “At Risk” population.

Target Population		“At Risk” Population			
	1	2	3	4	5
Age Group*	Total California Population (regardless of income bracket) in the age group	Number of Married Persons	Income Between the 25th. & 75th. Percentile for Married Persons	Number of Single Persons	Income Between the 25th. & 75th. Percentile for Single Persons
55—59 (Pre-Retirees)	1,881,016	476,408	\$32,200-\$80,200	165,072	\$27,200-\$62,500
60—64 (Pre-Retirees)	1,333,350	270,521	\$29,000-\$70,200	133,198	\$27,200-\$72,200
65—74 (Recent Retirees)	1,983,637	289,847	\$27,100-\$64,600	147,918	\$23,400-\$51,100
Total At Risk ==>		1,036,776		446,188	

* Numbers extracted from the State of California, Department of Finance, Current Population Survey Report, March 2004 Data.

Medi-Cal Resource Limits for Calendar Year 2005

The California Department of Health Services' Medi-Cal Eligibility Branch has issued the year 2005 income and resource amounts:

Year 2005 Income and Resource Amounts Affecting Community Spouses

The California Department of Health Services' Medi-Cal Eligibility Branch has issued the year 2005 community spouse resource allowance (CSRA) and the minimum monthly maintenance needs allowance (MMMNA). The year 2005 CSRA is \$95,100 and the 2005 MMMNA is \$2,378 in monthly income.

The resource limits and income provisions work in the following way for a married couple when one spouse is in a nursing home and the other spouse is still at home:

The spouse at home may keep up to \$95,100 in resources (property and other assets) while the institutionalized spouse may keep an additional \$2,000 in addition to any other exempt assets. Single individuals in long-term care or remaining at home and getting Medi-Cal are permitted to retain \$2,000 in addition to any other exempt assets.

The spouse at home may keep all of the income received in his or her name, regardless of the amount. If the amount is below \$2,378 per month, the institutionalized spouse may allocate income to bring the at-home spouse's income up to the \$2,378 per month. The spouse in the nursing home is permitted to keep \$35.00 in monthly income for personal needs.

Medi-Cal Share of Cost

If you are on Medi-Cal, you must use your monthly income from Social Security, a pension, etc. to pay for your health and long-term care expenses. Your income will probably not be enough to pay the entire bill, so Medi-Cal will pay the rest of your nursing home bill or any other medical expenses you may have.

You will be allowed to keep a certain amount of your income each month. In 2005, the following is the minimum monthly maintenance needs level:

- If you are living in the community an individual may keep \$600, a married couple \$934; or
- If you are in a nursing home, you may keep \$35 in monthly income for personal needs; if you are a spouse at home, the at home spouse may keep all of the income received in his/her name, regardless of the amount. If the amount is below \$2,378 per month, the institutionalized spouse may allocate income to bring the at home spouse's income up to the \$2,378 per month.

In determining your share of cost (SOC), Medi-Cal will calculate your total income. This figure is your net income. Then the monthly maintenance need amount is subtracted from your net income. The remaining amount is your monthly share of cost, the amount you would have to spend on medical or long-term care before Medi-Cal begins payment.

For more detailed information on how the Medi-Cal SOC is calculated, contact your local Department of Health and Human Services.

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The California Partnership For Long-Term Care



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